

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)	
CHESAPEAKE UTILITIES CORPORATION FOR)	
APPROVAL OF A CHANGE IN ITS GAS SALES)	PSC DOCKET NO. 08-269F
SERVICE RATES ("GSR") TO BE EFFECTIVE)	
NOVEMBER 1, 2008)	
(FILED SEPTEMBER 2, 2008))	

ORDER NO. 7446

AND NOW, to-wit, this 16th day of September, 2008, Chesapeake Utilities Corporation ("Chesapeake" or "the Company") having, on September 2, 2008, filed with the Commission an application for proposed changes in its Gas Sales Service Rates ("GSR") to become effective for gas service rendered on and after November 1, 2008;

AND, the Commission having determined, pursuant to 26 Del. C. §§ 303, 304, and 306, to permit the proposed rate changes to become effective, but subject to refund, for gas service usage on and after November 1, 2008 (with proration) pending further review and a final decision by the Commission; now, therefore,

IT IS HEREBY ORDERED:

1. That, pursuant to 26 Del. C. §§ 304 and 306, by the affirmative vote of not fewer than three Commissioners, the tariff revisions proposed by Chesapeake Utilities Corporation in its application filed on September 2, 2008, that would: (a) increase its Gas Sales Service Rate for customers taking service under rate schedules RS-1, RS-2, GS, MVS, and LVS from \$1.217 per Ccf to \$1.466 per Ccf ; (b) increase its Gas Sales Service Rate for customers taking service under rate schedules GLR and GLO from \$1.001 per Ccf to \$1.231 per Ccf; (c) increase

its Gas Sales Service Rate for customers taking service under rate schedule HLFS from \$1.166 per Ccf to \$1.391 per Ccf; (d) increase the firm balancing rate from \$0.049 per Ccf to \$0.060 per Ccf for transportation customers served under rate schedule LVS; (e) decrease the firm balancing rate from \$0.022 per Ccf to \$0.019 per Ccf for transportation customers served under rate schedule HLFS; and (f) decrease the balancing rate from \$0.005 per Ccf to \$0.004 per Ccf for transportation customers served under rate schedule ITS, to be effective for gas service usage on and after November 1, 2008 (with proration), pending evidentiary hearings and a final decision by the Commission. Such rates shall be subject to refund depending on such final decision.

2. That Mark Lawrence is designated as the Hearing Examiner for this docket pursuant to 26 Del. C. § 502 and 29 Del. C. ch. 101. Hearing Examiner Lawrence shall conduct such public evidentiary hearings as may be necessary or appropriate to develop a full and complete record concerning this matter. Hearing Examiner Lawrence shall thereafter report to the Commission with proposed findings and recommendations based on the evidence presented. Pursuant to Rule 21 of the Commission's Rules of Practice and Procedure, Hearing Examiner Lawrence is specifically delegated the authority to grant or deny petitions to intervene. In addition, Hearing Examiner Lawrence is authorized to determine, under 26 Del. C. § 102A, the appropriate form and manner of public notice for any further proceeding in this matter. Francis J. Murphy, Esquire, is designated as Rate Counsel for this matter.

3. That Chesapeake Utilities Corporation is hereby advised that the cost of this proceeding will, under the provisions of 26 Del. C. § 114(b)(1), be charged to the utility.

4. That Chesapeake Utilities Corporation shall provide public notices of the filing of this application and of this Commission action thereon by publishing notices in the form attached hereto as Exhibit "A" in the legal classified sections of The News Journal and the Delaware State News newspapers in two-column format, outlined in black, on the following dates: Wednesday, October 1, 2008 (The News Journal) and Thursday, October, 2008 (Delaware State News). Proof of such publication shall be provided to the Commission as soon as possible but not later than the commencement of the evidentiary hearings concerning this matter.

5. That the Commission reserves the jurisdiction and authority to enter such other or further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary

E X H I B I T "A"

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P U B L I C N O T I C E

**OF CHANGES TO THE GAS SALES SERVICE RATES
FOR CHESAPEAKE UTILITIES CORPORATION**

**TO: ALL NATURAL GAS CUSTOMERS OF CHESAPEAKE UTILITIES
 CORPORATION, AND OTHER INTERESTED PERSONS**

Pursuant to 26 Del. C. §§ 303(b) and 304, Chesapeake Utilities Corporation ("Chesapeake" or "the Company") has filed with the Public Service Commission (the "Commission") an application proposing to change its current Gas Sales Service Rates ("GSR") in the following manner: (1) to increase its Gas Sales Service Rate for customers taking service under rate schedules RS-1, RS-2, GS, MVS, and LVS from \$1.217 per Ccf to \$1.466 per Ccf; (2) to increase its Gas Sales Service Rate for customers taking service under rate schedules GLR and GLO from \$1.001 per Ccf to \$1.231 per Ccf; (3) to increase its Gas Sales Service Rate for customers taking service under rate schedule HLFS from \$1.166 per Ccf to \$1.391 per Ccf; (4) to increase the firm balancing rate from \$0.049 per Ccf to \$0.060 per Ccf for transportation customers served under rate schedule LVS; (5) to decrease the firm balancing rate from \$0.022 per Ccf to \$0.019 per Ccf for transportation customers served under rate schedule HLFS; and (6) to decrease the firm balancing rate from \$0.005 per Ccf to \$0.004 per Ccf for transportation customers served under rate schedule ITS.

As compared to the rates that were in effect on August 1, 2008 (including the changes resulting from the Company's base rate proceeding), a typical residential (RS-2) customer using 700 Ccf per year of natural gas will experience an annual increase of approximately 10% or \$11 per month. During the winter heating season, a typical residential (RS-2) customer using 120 Ccf per month will experience an increase of approximately 11% or \$21 per winter month.

At its meeting on September 16, 2008, the Commission determined to allow the proposed GSR rate changes to take effect on November 1, 2008, pending further review and a final decision by the Commission. Such rates will be subject to refund depending on the Commission's final decision. The Commission's final action on this application will be based upon the evidence presented at duly-noticed evidentiary hearings to be held at a later date.

Any person, group, or entity who wishes to formally participate as a party to this Docket (PSC Docket No. 08-269F), must, in accordance with Rule 21 of the Commission's Rules of Practice and Procedure, petition the Commission for leave to intervene in the proceedings in this docket. Such petitions (an Original and ten copies) must be filed with the Commission at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904 (Attn: PSC Dckt. No. 08-269F) on or before October 22, 2008. Petitions received thereafter will not be considered except for good cause.

Copies of Chesapeake's application and the testimony and exhibits the Company has filed in this docket are available for public inspection at the Commission's office at the address set out above during normal business hours.

Any individual with a disability who wishes to participate in these proceedings, or to review the material submitted, should contact the

Commission to discuss any aids or services needed. The Commission Staff is also available to provide more information. The Commission's toll-free telephone number within Delaware is 1-800-282-8574. The Commission can also be reached at (302) 736-7500 (including text telephone Communications). Inquiries can also be sent to the Commission by Internet e-mail addressed to "funmi.jegede@state.de.us."